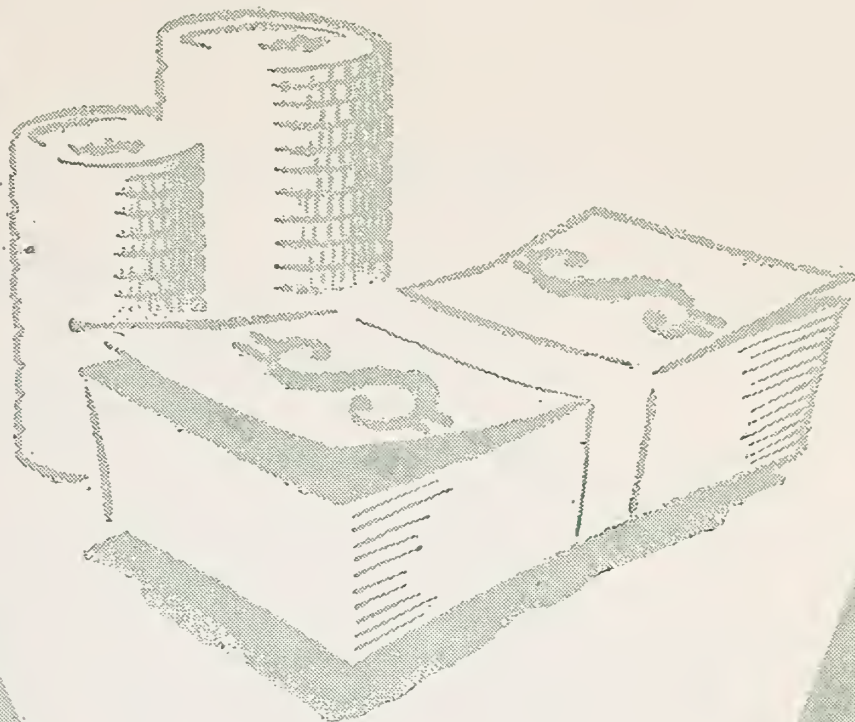


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Raise,

Account for,

**Use It
WISELY**

*Private
Support for*

4-H CLUB WORK

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL EXTENSION SERVICE

Foreword

This booklet is written for county Extension agents, State 4-H staff members, and private supporters of 4-H Club work. Its purpose—to help you know and understand some of the accepted principles and procedures about use of private funds for 4-H Club work.

4-H has grown from a handful of corn and canning clubs about 1910 to more than 92,000 work groups today with a wide variety of projects and activities. During this growth, many private citizens and organizations have also come forward with increasing amounts of support for these wider interests. This booklet describes guidelines for proper and effective use of this private support.

As public servants, we all have a double responsibility in the eyes of citizens. Each of us needs to keep the high esteem, faith, and trust of the public in Extension work; we are committed to this by our State and Federal Extension appointments. And for our own self-protection we should never become involved in financial efforts and procedures which could cast a shadow over the more basic educational purposes of our life and our job.

This publication was requested by a nationwide conference of Extension leaders and administrators held at Purdue University in January 1960. It has since been approved by the Extension Subcommittee on 4-H Club Work and by the Extension Committee on Organization and Policy (ECOP). These groups recommend it for State use with adaptations as needed.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "P. Kepner", written in a cursive style.

Federal Extension Service
Administrator

Issued November 1960

PRIVATE SUPPORT FOR 4-H CLUB WORK—

Raise, Account For, Use It Wisely

E. W. Aiton and Luke M. Schruben
Federal Extension Service

"Madam president, I move that our 4-H Club treasurer be authorized to donate \$5 to the county Red Cross Drive."

"Mr. Chairman, I move that our County 4-H Council begin to raise money to purchase and operate a county 4-H camp."

"Mr. State 4-H Club Leader, what can our firm do to help with 4-H?"

All over America, many times a day, Extension workers face these situations. You're familiar with them. They highlight the reasons why we need and welcome private help to supplement public funds available to 4-H.

But getting money is not the whole story.

(1) Funds should be given and used for a worthy educational purpose.

(2) They should be handled efficiently.

(3) The contributor should be honestly assured that his contribution is well invested.

This three-step process will bring more support, develop better 4-H programs, and help you rest comfortably when the day's work is done.

You and your 4-H counseling group are responsible for seeing that these steps are carried out.

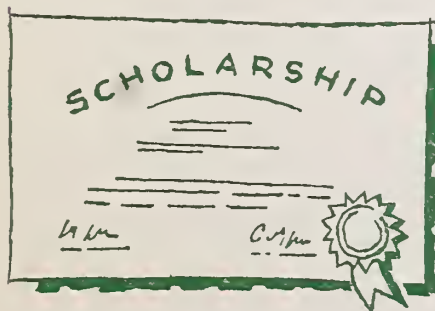
WHY PRIVATE SUPPORT?

Basically, the purpose of 4-H is education, the same as for all of Extension work. Federal-State-county tax funds are the major source of support for all Extension work, including 4-H. These funds are used to carry out Extension's assignment as educational arm of the U.S. Department of Agriculture and land-grant colleges.

During almost 50 years of growth, though, we find that some educational efforts in which 4-H'ers engage cannot be supported properly by tax funds alone. Thus *the first and most important reason* for accepting private support is the need for additional funds.

A second, parallel reason is to provide opportunity for the many private groups interested in youth to help advance the 4-H program. Do not underestimate the values of our broad definition of Cooperative Extension; it includes "friends of 4-H" too. These persons or concerns want to contribute time, money, and facilities through 4-H to help young people. They consider this a part of their opportunity and responsibility in America. A system of voluntary giving is deeply ingrained in our way of life.

People who work hand in hand with Extension to serve youth gain personal satisfaction. They



For A Worthy Purpose



Handled Efficiently



Say, "Thank You."

are really partners in 4-H and should be recognized as such. Firms and organizations with which they work may gain some good will also. Normally, everybody gains from such mutual cooperation and respect.

However, indiscreet product endorsement, direct sales advertising, or discrimination for or against specific products can destroy these gains. In all three cases other firms or groups not connected so closely with 4-H would be treated unfairly. To avoid misunderstandings a carefully worded policy statement has been prepared. It gives specific rulings for acceptable and unacceptable ways of using the 4-H name and emblem. You can get a copy from your State Extension or 4-H office. Ask for the booklet, "Authorization for Use of 4-H Name and Emblem."

A third reason for private support is to encourage new or broader program opportunities not anticipated by regular appropriations. Among such examples are camp facilities, new literature, awards and incentives, and scholarships for further training. These are explained more fully under "Types of Support."

An aggregate reason for using private 4-H support is to accomplish an educational job which is impossible or less appropriate with public funds. Private funds should not have the effect of replacing regular appropriations. Rather, private aid frequently is good evidence that citizens believe in 4-H and are willing to invest some "seed money" to improve it further.

Donor's Views

In general, business and citizens alike feel a sense of stewardship and responsibility for their total community, its progress and its welfare. We express this interest by helping worthy causes. As someone said, "Service and giving is the rent we pay for our space on earth."

What kind of outlets do givers seek? Why is 4-H favored as a recipient? Here are the reasons why one foundation gives to 4-H at local, State, and National levels. They come from a high officer of that foundation.

1. Our foundation considers its contributions as investments in the future of our country.

2. Our business feels it must account for its stewardship, not only in the balance sheet but also in terms of social responsibility.

3. Our foundation gives help where help is really needed.

4. We give so that people are encouraged to help themselves more and more rather than expect a definite subsidy.

5. We set up projects which will become as nearly self-supporting as possible.

6. We work only through educational and charitable organizations which can make effective, continuing use of money invested. Such groups multiply the impact of the foundation's gifts.

7. We conduct projects which will make a real economic or sociological contribution to general welfare.

8. We keep the foundation's name identified with specific projects rather than pool our money in general funds.

Word of Caution

You've heard the old saying, "Don't let a camel get his head in your tent or he may come in and take over." Once in a great while you may find some group or person who uses camel tactics. Here are some of their earmarks. Watch out for them.

. . . Donors who want to buy a lot of publicity with one, big, grand prize. Usually they are not interested in widespread educational achievements but in special-purpose promotions or "riding" on the good name of 4-H.

. . . One who wishes to introduce some "startling new discovery" by providing samples to your special clientele.

. . . One who offers lucrative donations to local clubs in return for the privilege of introducing some "essential new discovery." Usually the only "new" feature is a consignment sale gimmick. They wish to use 4-H for their special purpose.

. . . Sincere and well-meaning groups who are willing to give or help the 4-H program get started on a worthy cause which they feel is extremely important. Your problem here is to decide if their program is close enough to the basic educational objectives of 4-H so that it warrants the time, energy, and attention of you and the 4-H team.

One educational yardstick you can use is to ask the "camel" this question: "Would we want to see this program offered to our sons and daughters in the public schools?"

Special Tax Exemptions

All Extension workers should know at least two major taxation features relating to private support of 4-H. One concerns the tax status of property, funds, or foundations owned by 4-H. The other covers special income tax deductions allowed to business firms, organizations, and individuals for contributions to 4-H. Both State and Federal laws and regulations are involved in these cases. County or municipal tax authority is likewise a factor in 4-H real estate. We'll discuss only Federal income tax deductions here.

The Internal Revenue Code permits corporations to deduct contributions for charitable purposes from their taxable income. The law allows them to deduct contributions up to 5 percent of their net earnings before taxes. This is not a tax loophole but a deliberate act of Congress. Corporations are encouraged to use up to 5 percent of their earnings to support educational, scientific, or welfare efforts. The theory is that this will tend to reduce the need for Government expenditures for these same purposes.

Under the law an eligible concern can donate limited funds directly to an eligible 4-H group, and deduct the amount of the gift from its income

in computing taxes owed the Government. Since Federal and State Governments are interested in supporting 4-H work anyway, this makes quite a popular arrangement.

On the average, corporations are now donating about 1 percent of their net income before taxes to eligible groups. Legally they can deduct charitable gifts up to 5 percent.

Besides corporations, Federal law provides that individuals and members of partnerships may also deduct such contributions up to 20 percent of net income. Partnership deductions are shared among all partners; each partner claims his share on his personal tax return.

State laws vary widely in their specific provisions for such contributions. It's wise to have competent legal advice on all tax deduction matters.

It is not enough to simply advise donors that a gift or contribution to 4-H is an eligible tax deduction. Give them the specific Code citation—section 170 of the Internal Revenue Code of 1954. For the Federal tax deduction, some such wording is appropriate: "Your contribution can be deducted for Federal income tax purposes under section 170 of the Internal Revenue Code of 1954."

TYPES OF PRIVATE SUPPORT

An informal sample of States and counties in 1960 reveals that private support of 4-H is more extensive than we had supposed. The range among States and counties is so great there is no point in citing national averages. Rather, we suggest that you survey your own State or county to learn your own situation. You'll probably find several of these five types of support.

Incentives

The largest amount and most widespread type of private support seems to be used for incentives and awards. These have varied from 1-cent premium stickers to a \$10,000 community clubhouse. State and county fair associations provide hundreds of thousands of dollars each year for project and exhibit incentives. These examples indicate the wide variety of incentives:

- Fair and achievement premiums
- Livestock or other project purchase plans
- Educational tours and trips to events or places

- Scholarships, bonds, or educational awards
- National 4-H award programs
- Complimentary meals or events
- Ribbons, badges, uniforms, or regalia

Program Aids

Much of the support in this category is informal and instructive. Members write to a company for literature or samples. Leaders ask other agencies or groups for speakers, special talent or motion pictures. Many donors provide specially adapted literature for 4-H. Frequently the most useful aid is given on an informal, personal basis with no transfer of funds.

Scholarships or Grants for Training

Substantial help is given to 4-H members, leaders, and Extension workers as educational grants-in-aid. These include scholarships, educational trips, meetings, and similar training help. No purpose could be more worthy.

Help for volunteer local leaders is especially welcome. They are not official Extension personnel, so they receive no pay, travel allowance, or reimbursement for the time and expense they devote to 4-H. Many Extension folks feel that volunteer leaders should be given more help. Here are a few ways that private support helps develop leadership:

- Group subscription for National 4-H News magazine

- Complimentary training meetings and meals
- Visits to other clubs both within and outside the county

- Special teaching and training aids (visuals)

- Recognition pins and certificates

- Appointment cards

- Special library and reference materials

- Gate signs

- Salutes in special newspapers or magazines

Experimental or Trial Programs

In our rapidly changing times, 4-H work must be kept flexible. Often it is desirable to experiment with new or different methods or programs. It may be difficult to do this unless "risk capital" can be found from funds outside the budget. In many cases private funds have been the answer for such urgent needs. The National 4-H Club Foundation operates almost entirely with help from such funds.

One outstanding example is the International Farm Youth Exchange (IFYE). After World

War II, 4-H members and leaders wanted to understand more about world peace and international understanding. No regular Extension funds could be spared for this worthy purpose. Private groups were willing and anxious to help on a trial basis and a small pilot program was started in 1947-48. It is now an established part of Extension work operated entirely with private support of more than \$250,000 each year.

Other such needs include new programs and projects like automotive safety, dog husbandry, marketing, research and program studies, career exploration, and safety education.

Facilities and Property

Many millions of dollars are invested in camping, training, or other facilities for 4-H use. Most of the funds have been raised from private sources. Often a combined effort with public and private support was found most successful. The National 4-H Club Center in Washington, D.C., is an outstanding example of how private foundations and others rallied to support a united effort after Extension leaders and 4-H members showed determination, faith, and initiative through an initial "Share and Care" program.

On a county or district level, 4-H camps and special facilities are generally considered worthy purposes, but they sometimes create serious problems. Consider a camping program carefully as to need and available personnel, funds, and other camp facilities before you take the plunge.

CRITERIA FOR APPRAISING 4-H AWARDS

If incentives and awards are properly used, they encourage boys and girls to join 4-H and to achieve in it. If abused, they can do a lot of harm to the entire 4-H program. For example, livestock shows and sales have sometimes stimulated public-conscious buyers to pay fabulous premiums above market value for championship animals. Spectacular incentives like this are the exception, but they do receive considerable attention, both good and bad. At best they generate a lot of public interest in 4-H and benefit directly a very few lucky boys and girls. At worst they create a public image of the 4-H experience which is false or distorted and may tempt members to engage in unsound or even unethical practice.

Because incentives are so important in 4-H, the Cooperative Extension Service has developed a set of guidelines to follow when soliciting funds to be used as awards. Here are some of them:

PURPOSE

Will the award meet a basic need of 4-H members?

Will it contribute to the accepted educational objectives of 4-H?

PARTICIPATION BY 4-H'ERS

Will it stimulate a large number of club members?

Will it develop the spirit of cooperation as well as the spirit of competition?

ADMINISTERING THE PROGRAM

Can it be easily administered without undue workload?

Can rules of procedure be developed that are fair and easy to understand?

Can a fair and easy device be developed for selecting winners?

RELATIONSHIP WITH DONOR

Does the donor recognize that the awards pro-

gram is to contribute to the welfare of youth? Does he agree that educational values to the member take precedence over direct or indirect benefits to him as sponsor?

Is the group offering the award engaged in a worthy and accepted business or service?

Are you assured that 4-H members will not be exploited or unethically publicized?

Is the award free of embarrassing obligations such as the use or endorsement of a particular product or service?

RAISING PRIVATE FUNDS

Guides for Organizing A State or County Campaign

Every State and county Extension group must carefully consider its own needs and situation before attempting a fundraising effort. Be sure that private support is needed and this need is widely understood before you do anything about it. If you go into a campaign, here are eight proven guides to aid you.

1. Use a fundraising committee. This is a time-tested, proven procedure. It has many variations. In large campaigns the committee organizes and heads up crews of volunteers who make all solicitations by personal contact. In other cases the volunteer committee divides the contacts among themselves and conducts the campaign themselves by telephone, mail, or personal visit. Extension workers should serve the committee, not run it.

Fundraising is hard work. It requires thorough organization, careful preparation, and energetic followthrough. It is essentially a sales campaign. Do not be so naive as to form and announce a committee or legal foundation and then sit back and expect the money to pour in. Foundations are only a tool for receiving and disbursing funds. To bring in the money you need a beehive of well-organized, hard-working people.

2. Conduct two campaigns—one within 4-H and the other among 4-H friends. This procedure has at least three advantages. It establishes the self-help concept in 4-H members, families, and leaders. It builds confidence among businessmen that 4-H is developing sound citizenship values and experiences. It gets more money.



A hard-working well-organized team is needed.

3. Make special proposals to major donors. These should be very carefully and specifically planned, prepared, and presented. Shotgun methods are useless and may antagonize. Most major donors will appreciate a specific proposal including these major points:

Background information about Extension and 4-H

Situations and need for this grant

Proposed objectives and purposes

Project content—including procedures, duration, and action
Budget needed, with proposed sources
Expected results
Methods of reporting and evaluation

4. *Bring all news media into the campaign early.* Ask them to help develop and plan it. You can't force them to use your stories, but 4-H is news and if they feel they're partners in the campaign, they'll support you more strongly. Treat all news outlets equally and fairly. Give them ample background facts and frequent reports of progress. The general public must know what is going on.

5. *Use professional fundraisers?* This method does work, but is generally not approved in Extension circles. Sometimes these plans are high pressure and lack the sincerity which must always characterize 4-H.

6. *Arrange for committees and potential contributors to see 4-H in action.* Good 4-H work generates enthusiasm among others. Any giver likes to see the end product, if possible. A double value accrues when 4-H'ers and leaders experience the thrill of reporting to important people about their work. Satisfied customers are the best sales appeal.

7. *Develop good brochures and pamphlets.* A modest, but well-documented booklet or folder is essential. It should tell specific needs and purposes; give condensed facts about 4-H; list specific information about the campaign and give names, positions, and addresses of persons in charge of it. The written word builds confidence, minimizes rumors and criticism. Let committee members distribute these pamphlets. It's a specific thing they can do and places responsibility squarely in their hands where it belongs.

8. *Report to your contributors.* All donors like to know how their money is used. For small amounts a general or annual report may serve this purpose; however, if you receive sizable contributions for specific purposes, it will be important to prepare a special report for these donors. Do this when the project for which they donated has been started and again when it is completed.

Guides for Raising Funds for Local Clubs

1. Many clubs assess their own members for dues at each meeting. This is accepted practice

in some communities, but has certain undesirable features. Members should clearly understand that this money is for local club use only and that Extension charges no fees for its services.

2. Encourage members to sell animals or products coming from their own project work.

3. Never use the 4-H name or emblem in connection with sales of a commercial product. Commercial or consignment sales of candy, cookies, feed, seed, fertilizer, or other products in competition with regular trade channels is not approved. Avoid magazine subscription campaigns.

4. Discourage lotteries or games of chance. Rather, plan 4-H fundraising so the public or customer will receive full value. Remember, there are State and local laws and regulations prohibiting or regulating lotteries.

5. Try to avoid door-to-door canvass or "tag days" for donations. Give people something for their money or sell them on the merits of direct help with the educational program.

6. Consider carefully before accepting money from a community chest; such membership is not generally approved. Rather, Extension should be held in the same status as public schools and other education.

7. Use accepted fundraising procedures for specific worthy projects, such as a camp, and inform the general public how funds will be used and controlled.

8. Insist that any fundraising project come about as a result of interest and appreciation for 4-H work, its precepts, ideals, and goals.

9. Remember the basic purpose of 4-H is education. Do not let sideline "busy work" like door-to-door canvassing get in the way of more fundamental programs of learning and doing.

10. Keep fundraising to a minimum. One or two special drives per year should be the maximum—and keep these campaigns short.

11. Never let fundraising lower the status or prestige of 4-H. Wholesome educational purpose for funds and wise use of them are the most important guiding principles.

Good Ideas on Raising Money for Local Clubs

1. Sales, bazaars, auctions, or roadside stands for selling products which 4-H'ers themselves have raised or processed.

2. Marketing projects whereby 4-H members

serve the general community by helping market a peak surplus of products at a bazaar or festival. Some examples are apples, nuts, vegetables, flowers, plants, crafts, or dairy products.

3. Serving dinners, box suppers, socials, refreshment stands at fairs or games.

4. Amateur entertainment festivals such as community square dances, plays, skits and

pageants, musicals, minstrels, socials, and skating parties. Record hops and social dances may be acceptable in some communities, but out of bounds in others.

5. Community forest or Christmas tree plot; Christmas greens.

6. Scrap iron and newspaper collection drives; rat and rodent control campaigns.

HANDLING PRIVATE FUNDS

You can follow several basic principles in handling private funds to reduce possible misunderstandings and disagreements later.

Most important, never be personally responsible for collecting, accounting for and expending funds—if you can avoid it. Remember all people, especially Extension people, are presumed honest and most are. You are. Nonetheless, *being honest is not enough. You must be able to prove your honesty.*

Guides for Managing Private Funds

1. Keep your organization as simple (uncomplicated) as possible and still do your job.

2. Make sure that officers of such organizations are protected from personal liability by incorporation or by liability insurance.

3. Remember that private funds and donors exist to support 4-H Club work, not the reverse.

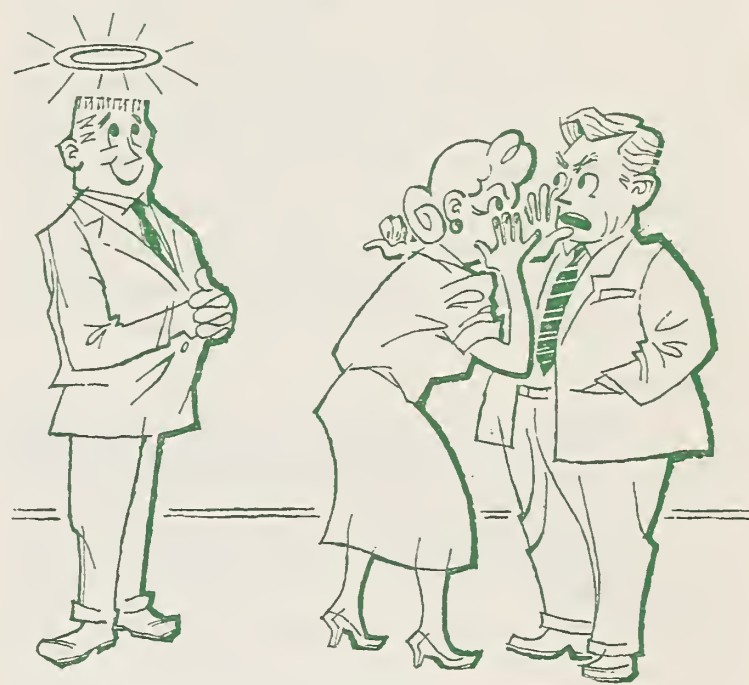
4. Distinguish clearly between raising, accounting for, and disbursing funds as compared to conducting 4-H educational work. There's a big difference. This distinction can often avoid misunderstandings.

5. Provide for regular financial reports, perhaps quarterly, and an audit at least annually by a banker or certified public accountant.

State Funds

The State 4-H or Extension office usually has facilities for handling private support not available to counties or local clubs. Generally much larger amounts are involved and they're meant for many more different purposes. Here are three principles and methods to consider in handling private support for statewide 4-H Club work.

1. Individuals should never have sole responsibility for receiving, accounting for, and disbursing private funds.



Leave no room for doubt—prove your honesty.

2. In many States arrangements can be made for the Extension, college, or university business office to serve effectively as fiscal agent for handling such funds.

Only one question needs to be asked of such an arrangement: Is the administrative and operating procedure flexible?—does the business office have authority to make prompt payment on proper order or must it go to higher authority? Delayed payments can prove embarrassing and disrupt work. Costs cannot always be anticipated far enough in advance to place requisitions as usual. Often the university business office can make exceptions when those who make policy understand problems of 4-H private funds.

Don't drop the idea of using the university business office until you've explored it thoroughly. This plan is generally Extension-controlled and can work most satisfactorily.

3. Another effective method is to incorporate a statewide foundation, council, or similar organization to solicit, receive, account for, and dis-

burse funds to support 4-H work. Regardless of the form of private organization set up, distinguish clearly between fundraising and management as compared to program responsibility.

Extension officials should be an integral part of the policy group to insure that—

. . . Funds raised for 4-H will be used only in ways that agree with educational purposes of Extension work. At times fundraising organizations have become so concerned about raising money that they accept contributions with strings attached. These strings would divert 4-H work from its basic purpose of education or embarrass Extension Service if it complied with conditions of the contribution. We must avoid this and similar pitfalls. That's why we Extension people cannot properly set up a private corporation, regardless of form, to raise money and then dismiss our responsibility to guide its activities.

In Summary

. . . Private fundraising groups are organized and operate to support appropriate Extension work, not the reverse.

. . . Fundraising efforts are appropriate and in good taste.

. . . Appropriate accounting procedures are followed.

. . . Private support is used for purposes specified, turned back or authorized to be used for other purposes. Most donors prefer to support a specific effort rather than 4-H work generally.

County Funds

How Can You Prove You're Honest?

As we've said, try to avoid being responsible for funds in the first place. If you can't, then follow as many of these suggestions as you can.

1. Establish a bank account where you can deposit all funds.

2. Ask contributors to send in their funds by check, not cash.

3. Give a receipt for all contributions, whatever size or form.

4. Endorse all checks to the bank account so the donor knows by the endorsement that the check was deposited. Sample endorsement: Deposit to the Account of Sheridan County 4-H Club Council; By _____
(Your name)

5. Record the name of each contributor and amount on bank deposit slips. Do this for both

checks and cash. Never lump all cash into one sum. Thus the bank deposit slip proves that each person's contribution was properly deposited to the special account.

6. Make all payments by check; never in cash.

7. If possible, arrange for two authorizing signatures.

8. Or arrange to spend funds only on authority shown by minutes of your official advisory 4-H council.

By following these steps receipts will balance with bank deposits, and vice versa. Canceled checks will provide a record of all expenditures. Expenses subtracted from receipts will give a true balance.

Most bankers will be glad to provide banking service free if they understand the purpose of the account.

How Can you Avoid Being Fiscal Officer?

Here are 5 ways to solicit and handle funds which work well but do not require you to be fiscal officer.

1. Organize a county council with duly elected officers. Its bylaws should authorize solicitation and use of private funds for 4-H work. Bylaws should also state general conditions for solicitation and specific basis for expenditure of funds. This does not mean specific things money is spent for, but rather a procedure to authorize such spending. Most of the eight steps in "Proving You're Honest" will apply here.

2. Organize a sponsors' committee made up of Extension advisory groups, donors, or others. This group would both raise and spend funds, help you prove you're honest, and improve the fundraising ability of the organization. The more people helping with fundraising and 4-H-sponsored efforts, the greater will be the success of both.

3. Carefully consider forming a nonprofit corporation. Your county attorney can help you determine this need. Personal liability laws in many States make incorporation attractive. This device protects individuals in counties with 4-H camps, fairs, and other activities where accidents are possible.

Answer these questions in deciding whether to incorporate: Does our State law place liability on the sponsor? Can we expect accidents over the years in 4-H work in our county? Will incorporation eliminate personal liability?

4. Use an incorporated group already operating in your county, like a fair board or county extension council. Many times this same group can also serve as fiscal agent to receive and disburse private 4-H funds. Look into all possibilities before setting up another.

5. Set up a separate foundation. Except for a camp or other such activity, few counties have a large enough program to justify a foundation. But where you collect camp fees plus good-sized private donations to support total 4-H work, you may need a rather substantial organization to handle these funds.

Suggested Club Bylaws Concerning Funds

So far we have covered countywide problems and procedures relating to private 4-H funds. Most of these principles apply also to 4-H Clubs; the degree of application depends upon the nature of work sponsored by the club. As county extension agents, you are responsible for actions taken by 4-H Clubs. To help insure proper actions, all 4-H Clubs should have bylaws providing for—

1. Officers—including a president, secretary, and treasurer.

2. Purpose and methods for raising funds, or procedures for deciding these—if the club raises any funds.

3. Businesslike financial transactions. One person should never be permitted or required to receive and account for money. The club's financial organization must be in line with the size of the job.

4. Proof that a 4-H Club official is honest. It's just as important for club officers to be able to prove they're honest as for an Extension worker.

5. Sound business principles. Unless these are followed in local club treasuries, the whole educational purpose of clubwork may be lost.

6. No careless "cigar box" practices. If you let these get started, actual physical danger may come to the treasurer. Do not permit young members to carry large sums, especially at night.

7. Sound handling of club funds. This practice builds confidence, trust, and pride. Careless handling sows seeds for dissension, misunderstanding, and breakup.

8. Safeguards to keep money raising from becoming a "disease." A small success at first sometimes generates so much enthusiasm that other more important purposes are lost.

9. Preferably no large treasury balances. These frequently become a source of argument. Special groups agitate for "use of the money" not in harmony with needs and interests of the total club or community.

10. Expenditures to be authorized only by club members for club purposes. Be sure this is done. Never allow one person or clique to control the treasury—not even the leader.

11. Members to approve donation of the treasury balance to some worthy cause if the club disbands. Never allow officers to divide the balance among remaining members because many persons likely contributed to it.

TAXATION OF STATE 4-H FUNDS OR FOUNDATIONS

Earlier under "Special Tax Exemptions," we discussed deducting contributions from Federal and State income taxes where allowed. Here we'll consider corporation and property taxes of State 4-H foundations.

In general, 4-H foundations and property may be taxed unless they are proved eligible for exemptions. Tax-exempt status may be earned only by proving that the entire purpose and operation of the enterprise is educational, nonprofit, nonpolitical, and in harmony with local, State,

or Federal laws under which such exemptions are set forth.

For Federal regulations and court decisions, consult the "Blue Book" of the Internal Revenue Service. This reference cites many favorable cases of 4-H Club exemptions. Naturally you need competent legal advice about your specific situation. Frequently the comptroller or legal counsel at your State land-grant college can help you through the proper steps. County or district attorneys may help you with local problems.

COMMONSENSE SUMMARY

Supplementary Help from "Friends of 4-H" is welcomed by the Cooperative Extension Service for educational work. Private support is an important and widespread feature of local, State, and National 4-H efforts.

Safe Methods of Handling private funds are absolutely essential. Extension workers should insist on sound business procedures for themselves as well as 4-H treasurers at all levels of operation. Local leaders can help members gain valuable financial experience. Careless or improper handling of funds is dangerous and inexcusable.

Primary Purpose of 4-H is education. Fundraising and private support should contribute to this end.

Careful Consideration of need for private support is the first essential step before you accept any funds. Donors, handlers, and users of funds should thoroughly understand the need and proposed uses.

Special Fundraising Committees are advisable if you undertake a major fundraising campaign. Extension workers should help this committee—not run it. Thorough organization and planning are essential.